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DEPT.

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF NEPAL

IPF:(1992-96) $77 772 000

(NEP/92/027) - Supporting Decentralization in Nepal

Date of approval:	29 January 1993
Expected duration:	One year and four months
Proposed executing agency:	Government in association with UNDP/OPS
Government implementing agency:	National Planning Commission
Proposed UNDP contribution:	$ 653 400 Source of funds: IPF
Total UNDP budget:	$ 653 400

Project background

Poverty in Nepal remains widespread as a vast majority of the rural poor continue to be left out of the development mainstream. Over the past three decades, the rural poor's indigenous potential for development has been constrained by the centralized tendency of development efforts by past governments and most donor agencies. In 1992, therefore, more than 40 per cent of Nepal's population continue to live below the poverty line.

The former partyless panchayat government, named after Nepal's traditional village councils, initiated efforts at involving people in the towns and villages in decision-making and resource mobilization to meet their own development needs. They, however, proved unsuccessful since authority remained with the central government and was not decentralized to local level bodies. Since the introduction of a multi-party democracy in 1990, the decentralization framework of Nepal has been gradually consolidated through a series of local-level elections and the adoption of new local government acts, i.e., the Village Development Committee Act, the Municipality Act, and the District Development Committee Act. The thrust of the Government's decentralization policy, as enunciated in the Eighth Development Plan (1992-1997), is to carry out the decentralization of authority from the centre to the sub-national autonomous bodies in a supportive and coordinated manner.

UNDP support to decentralization efforts in Nepal started in 1985 under the project NEP/83/001 which provided advice to the then government in the implementation of the 1982 Decentralization Act. In late 1989, the project (NEP/88/009) Strengthening Decentralized Planning commenced operations. Initially designed to support the then district governing bodies in developing data bases for use in planning and monitoring of development projects, the project's scope was broadened, following the political change of 1990, to include the development of a decentralization policy framework and training of selected government staff under a decentralized structure. The project has extended support to policy formulation and legislation, introduced new ideas in the country's decentralization efforts such as the promotion of the user group (traditional, autonomous problem-oriented group of local people) support mechanism and the use of the Geographic Information System (GIS) for local planning, and provided a basis for the preparation of a national programme on decentralization. An evaluation of the project done in August/September 1992, recommended that a follow-up project be designed to implement the decentralization policy, investigate its impact on the rural poor, and build upon new spheres of decentralization efforts already imitated. As requested by the Government, UNDP assistance will be provided in the decentralization efforts under the present project (NEP/92/027).

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Description of project

The development objective of the project is to develop national policies and practices that will empower the people to gain control over their own development decision-making and resource mobilization. The immediate objectives of the project are to: (a) enhance the capacity of the National Planning Commission (NPC) to formulate, promote and effectively monitor the implementation of liberalized policies in support of decentralization; and (b) assist selected districts in improving rural development management through the implementation of decentralization planning and management methods.

Project activities will include: (a) activating the Planning Unit at the Ministry of Local Development (MLD) and formulating a separate project to provide support to the Unit; (b) preparing guidelines for an operational strategy on user group-oriented rural development; (c) providing training to NPC staff in rural development policy formulation; (d) carrying out action research in support of user group formation and management and applied research on local resource mobilization and management; (e) preparing the UNDP Decentralization Programme Support Document; and (f) operationalizing the NPC GIS Unit.

Inputs

UNDP will provide the services of a chief technical adviser (13 work-months), a GIS consultant (four work-months), three national group leaders, i.e, planning advisor, research manager, and spatial analyst (32 work-months), six national district planning advisors (85 work-months), national technical and administrative support personnel (236 work-months), and their in-country travel; subcontracts for research on rural development institutional issues; available training (fellowships on decentralization policy, in-service training to sensitize the sectoral agency staff to decentralization, and a study tour to a developing country undergoing decentralization), vehicles (motorcycle), equipment (computers); and miscellaneous costs (operations and maintenance costs, reporting costs and sundries).

Financial data

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Personnel	323 600
Subcontract	144 000
Training	56 500
Equipment	63 700
Miscellaneous	65 600
Total	653 400

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